

From: [Gee, Jo](#)
To: [Moore, Gary](#)
Cc: [Hope, Ginny](#)
Subject: FW: Contractor Charges:
Date: Wednesday, May 06, 2015 11:48:12 AM

FYI -- thanks

From: Williams, Latrice
Sent: Wednesday, May 06, 2015 11:47 AM
To: Gee, Jo
Subject: FW: Contractor Charges:

Jo Ann,

Please read the FACO's decision below regarding the questioned FCA charges for the CES Environmental Services site. The FCA charges shall be billed to the Government as direct costs, and the costs are allowable.

Best regards,

Latrice Williams

Contracting Officer

Environmental Protection Agency

Procurement Section

1445 Ross Avenue, Suite 1200

Dallas, Texas 75202

Office No.: (214)665-6516

E-mail: williams.latrice@epa.gov

From: Cherry, Linear
Sent: Wednesday, May 06, 2015 11:36 AM
To: Williams, Latrice
Subject: Re: Contractor Charges:

Hello Latrice,

I reviewed the information you sent me and the contractor's response. If the FCA is performing site specific work and only for that site and their labor costs can be directly identified to the project then that costs can be charge as a direct cost. However, if that FCA is performing this work for various sites on other contracts then I would consider that cost be charge as an indirect cost.

According to the contract clause G.5, it states that if the technician performs a site-specific accounting function and which is billed in the fixed rates, it will not be included in the program management function. The key is the FCA performing a "**site-specific function**," if the FCA is performing a site-specific function then those costs are not consider to be Program Management costs which are "**non-site specific**" costs. CB&I's Program Management are "**non-site specific**" in nature.

In addition, the FCA is NOT an unallowable cost. So do not questioned the cost. Because it either charge as direct or indirect based on if it's a site specific or non-site specific, respectively. Please contact me if you need additional help. Thank you.

Linear Cherry, FACO

Financial Administrative Contracting Officer
Financial Analysis & Oversight Service Center
U.S. Environmental Protection Agency
Phone (202) 564-4403

From: Williams, Latrice
Sent: Wednesday, May 06, 2015 8:55 AM
To: Cherry, Linear
Subject: RE: Contractor Charges:

Hi Linear

Can you address the billing question below? It's been over a month, and the Project Officer, On-Scene Coordinator and I need an answer in order to process the 1900-55s for the site.

Thanks!

Best regards,
Latrice Williams
Contracting Officer
Environmental Protection Agency
Procurement Section
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202
Office No.: (214)665-6516
E-mail: williams.latrice@epa.gov

From: Cherry, Linear
Sent: Wednesday, April 08, 2015 10:17 AM
To: Williams, Latrice
Subject: RE: Contractor Charges:
No, she has not.
Linear C. Cherry
Financial Administrative Contracting Officer (FACO)
U.S. Environmental Protection Agency
OAM/PTOD/FAOSC (3802R)
Phone (202) 564-4403

From: Williams, Latrice
Sent: Wednesday, April 08, 2015 10:34 AM
To: Cherry, Linear
Subject: RE: Contractor Charges:
Linear,
Has Amy responded to your e-mail about FCA billing?
Best regards,
Latrice Williams
Contracting Officer
Environmental Protection Agency
Procurement Section
1445 Ross Avenue, Suite 1200

Dallas, Texas 75202
Office No.: (214)665-6516
E-mail: williams.latrice@epa.gov

From: Cherry, Linear
Sent: Thursday, April 02, 2015 9:06 AM
To: Williams, Latrice
Subject: RE: Contractor Charges:

Hi Latrice,

I just email Amy Dobbs, Government Accountant for CBI. So hopefully, I will get a more accurate response as to how the FCAs are treated as direct or indirect cost.

Linear C. Cherry
Financial Administrative Contracting Officer (FACO)
U.S. Environmental Protection Agency
OAM/PTOD/FAOSC (3802R)
Phone (202) 564-4403

From: Williams, Latrice
Sent: Thursday, April 02, 2015 9:21 AM
To: Cherry, Linear
Cc: Gee, Jo
Subject: RE: Contractor Charges:

Hi Linear

I would like your financial assistance with a billing matter on Contract No. EP-S6-07-02 with CB&I Federal Services LLC (CB&I). CB&I (E&I Segment) has been billing the Government for a Field Cost Administrator (FCA) to "Upload and categorize backup documentation to Sharepoint Portal to bill client for CES Environmental Project". The Project Officer (PO) and On-Scene Coordinator (OSC) questioned those costs, and they think that it may be an indirect cost or an unallowable cost. See their e-mails below.

In my opinion, it appears that the FCA is completing site-specific/field-related financial accounting activities and uploading the financial data into SharePoint for Program Management staff/corporate-level staff to invoice/voucher the Government. Then, Program Management staff/corporate-level staff completes non-site specific/contract-level financial accounting activities and prepares contract-level invoices/vouchers to bill the Government.

Please review CB&I's cost accounting practices and the notes below to determine if the contractor should bill the FCA costs directly to the site/project as direct labor costs or bill the costs indirectly to the contract as non-site specific program management costs.

Note 1: CB&I's Program Management Costs are costs that are non-site specific in nature and can be defined as technical, management, administrative, and clerical activities performed by management and other support functions by the corporate office for the overall management of the contract and task orders.

Note 2: Contract Clause G.5, Payments—Fixed Rate Services Contract

(h) *Program management costs vs. costs included in the fixed rates. If the contractor bills EPA for a cost as part of a "program management" element, it shall not also bill for those costs as part of a fixed rate element, and vice versa. For example, if a technician performs a site-specific accounting function and which is billed in the fixed rates, it will not be included in the program management function. Conversely, if the same technician performs a program management accounting function, those costs shall be included in the program management function and not as part of the technician's fixed rate hours.

* Program Management costs, as a general rule, can be defined as the technical, management, administrative, and clerical activities performed by management personnel and those support functions to be performed by the corporate office which are allocable to office personnel. They are non-site specific in nature; their costs are necessary for managing the overall contract regardless of the amount of specific site work; their costs may be relevant to multiple task orders; they consist of staff time relative to placement and management of subcontracts; and they include creation, implementation, and monitoring of Standard Operating Procedures (SOPs). The following examples represent activities that include components of both administrative and technical cleanup costs which are considered "program management" activities. Some examples include, but are not limited to personnel management, proposal/work plan preparation, preparation of monthly reports, meetings concerning contract operations, financial accounting activities, invoicing/voucher preparation, computer support, updates to communication/coordination between EPA and the contractor, audit support, subcontractor management activities, maintenance of corporate conflict of interest plan, labor standards compliance, clerical activity in support of administrative functions, records retention and management activities, closeout activities, contractor-owned equipment/warehouse management, health and safety activities, quality assurance/quality control, training, COI, investigations, (preliminary). Some examples of the types of personnel who would likely be involved in accomplishing these activities are: program manager, accountant, contract administrator, reports manager, subcontract manager, secretary, QA officer, equipment manager, health and safety officer.

If you have any questions about the information contained herein, please contact me.

Thanks in advance for your assistance!

Best regards,

Latrice Williams

Contracting Officer

Environmental Protection Agency

Procurement Section

1445 Ross Avenue, Suite 1200

Dallas, Texas 75202

Office No.: (214)665-6516

E-mail: williams.latrice@epa.gov

From: Gee, Jo

Sent: Tuesday, March 31, 2015 9:02 AM

To: Williams, Latrice

Subject: FW: Contractor Charges:

Latrice,

We have been paying for the time the FCA uses to upload to their system, but it is difficult to know at what point these hours should be part of their indirect rate structure. Do you have any different thoughts on the direct charging for these hours? thanks

From: Moore, Gary

Sent: Monday, March 30, 2015 5:01 PM

To: Gee, Jo

Subject: Contractor Charges: Are these legitimate

Joann:

I am sure I have asked you before but please review this and let me know if this is legitimate:

Service Date: 03/25/15, 441095, Field Cost Admin.:

Gather, review, and prepare backup documents to create 1900-55. Upload and categorize backup documentation to Sharepoint Portal to bill client for CES Environmental Project. Reconcile & finalize

RCMS transactions based on invoices receive

I am interested in that listed in yellow.

Thanks

Gary Moore

Federal On-Scene Coordinator

U.S. EPA Region 6

214-789-1627 cell

214-665-6609 office

moore.gary@epa.gov